Doc. #5000

M E M O R A N D U M JANUARY 28, 1988

TO: BOSTON REDEVELOPMENT AUTHORITY
AND STEPHEN COYLE, DIRECTOR

FROM: RICARDO MILLETT, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT

SUBJECT: ONE FRANKLIN PLACE/101 ARCH STREET HOUSING
CREATION PROPOSAL SUBMITTED BY
THE PUBLIC FACILITIES DEPARTMENT

Please find attached a memorandum from Lisa Chapnick, Director of the Public Facilities Department, requesting Authority approval of a Housing Creation Proposal submitted by One Franklin Place/101 Arch Street for the creation of 31 rehabilitated rental units at the Lithgow Block, Codman Square.

This project received a positive recommendations from the NHT on January 12, 1987. The Lithdow Development is seeking an award of SHARP funds from the Massachusetts Housing Finance Agency in the beginning of February. Approval of this proposal is requested.

RAYMOND L. FLYNN, MAYOR

PUBLIC FACILITIES DEPARTMENT

MEMORANDUM

JANUARY 28, 1988

TO: STEPHEN COYLE, DIRECTOR
BOSTON REDEVELOPMENT AUTHORITY

FROM: LISA G. CHAPNICK, DIRECTOR
PUBLIC FACILITIES DEPARTMENT

SUBJECT: HOUSING CREATION PROPOSAL SUBMITTED BY
ONE FRANKLIN PLACE / 101 ARCH STREET

EXECUTIVE SUMMARY: Lincoln Franklin Place, Ltd. developers of a mixed use project at One Franklin Place/101 Arch Street--Planned Development No. 18, the former Kennedy's Department Store site located in the downtown central business district, has submitted a linkage proposal that would commit its estimated $1.5 million linkage commitment to the Codman Square Housing Development Corporation (HDC) to assist in the rehabilitation of 31 units of newly constructed rental housing at the Lithgow Block, Codman Square, Dorchester. A resolution is requested approving this Housing Creation option.

Lincoln Franklin Place, Ltd, (also referred herein as "Lincoln") the developer of One Franklin Place/One Hundred and One (101) Arch Street have submitted a proposal to commit its estimated $1.5 Million linkage commitment to the Codman Square HDC's Lithgow project, as described in the attached Housing Creation proposal. The Housing Creation option would be used to assist Codman Square HDC to rehabilitate 31 units of new construction, rental housing units at the Lithgow Block, Codman Square, Dorchester. Approximately 16 (52%) of the units will be affordable to moderate income households.

Lincoln Franklin Place, Ltd. and the Boston Redevelopment Authority entered into a Development Impact Project Agreement on January 3, 1985, as amended on July 17, 1985 ("DIP Agreement") which provides for the payment to the city of linkage funds by Lincoln. As stated in the DIP Agreement, Lincoln has the option to submit a Housing Creation Plan in lieu of or in addition to making payments to the Neighborhood Housing Trust. Lincoln has elected this Housing Creation option and hereby

proposes to meet its obligation by contributing its DIP Exaction directly to the development of the Lithgow residential project.

Lincoln Franklin Place, Ltd. had previously committed its linkage funds to serve as collateral in the Harbor Point project for the Massachusetts Housing Finance Agency's (MHFA) bond sale, pending syndication of the project. Because these funds are no longer needed for this use, MHFA has released Lincoln from its obligation and has returned the appropriate release documents. Lincoln now, therefore, elects to commit its funds to the Lithgow project.

Project Summary and Demonstration of Need

The One Franklin Place/101 Arch Street linkage commitment would be used to finance a portion of the total development costs of the 31-unit residential project--costs estimated at $4,772,349. The outstanding project financing gap equals approximately $851,700. The net present value of the $1.5 million contribution from Lincoln Franklin Place, Ltd. will be sufficient to fill the project financing gap of up to $851,700. [Codman Square HDC does, however, plan to minimize the amount of Linkage funds necessary for the project through the reduction of the cost of certain development items and/or the receipt of additional grants or bridge loans.]

Effect of Plan on DIP Exaction

Lincoln proposes to make its first annual linkage payment in 1988. The annual contribution will be payable in equal installments of $125,000 every year for twelve (12) years. The net present value of the stream of payments is estimated at approximately $851,700.

Any linkage funds not required to ensure project feasibility and affordability will be returned to the Trust.

Conclusion

Approval of this Housing Creation proposal by the Neighborhood Housing Trust and the Boston Redevelopment Authority will fill a critical financial need in the Lithgow project, thereby creating 31 units of housing of which 16 units (52%) will be affordable. The Lithgow residential development is part of a larger mixed use project which also includes the rehabilitation of the historic Lithgow Building and the new construction of the two-story commercial structure. This project is a key element of the revival of the area as it will remove present blight, provide residents with badly needed affordable housing and create employment opportunities.

But for the application of these linkage funds to this project, this project cannot be completed.

It is requested, therefore, that the Housing Creation Proposal submitted by Lincoln Franklin Place, Ltd. be approved.

An Appropriate Vote Follows:

Voted: That the Authority finds after consideration of the evidence submitted at a public hearing on the date, January 28, 1988, regarding the Housing Creation Proposal submitted by Lincoln Franklin Place Limited: (1) that Lincoln Franklin Place Ltd. is obligated to pay approximately $1,500,000 in Development Impact Project Exactions pursuant to Article 26 of the Boston Zoning Code and a Development Impact Project Agreement entered into by the Boston Redevelopment Authority and Lincoln Franklin Place with regard to One Franklin Place/101 Arch Street located in the downtown; (2) that Lincoln Franklin Place, Ltd., has met all of its obligations of the prior housing creation proposal submitted to benefit Harbor Point, has complied with the terms and conditions of its prior commitment, and has been released therefrom; (3) that Lincoln Franklin Place, Ltd. submitted on January 12, 1988, a Housing Creation Proposal pursuant to Section 26-3.2 of the Boston Zoning Code; (4) that the Neighborhood Housing Trust has reviewed said Proposal and has made recommendations to the Authority to approve with regard thereto; (5) that the Codman Square Housing Development Corporation is developing an affordable housing project in Dorchester; (6) that the above-mentioned housing developer is seeking or has commitments from various federal, state, city and private grant and loan programs for said affordable housing project; (7) that a gap exists in the financing of the housing development as proposed by the said developer; (8) that but for the commitment of additional funds in the amount of approximately $851,700 said housing would not be built; and (9) that application of the DIP Exactions from Lincoln Franklin Place, Ltd. as proposed in its Housing Creation Proposal is necessary and appropriate to the development of said affordable housing.

And Further Voted: That the Housing Creation Proposal submitted by Lincoln Franklin Limited on January 12, 1988 is hereby approved as submitted.

And Further Voted: That the Director be and hereby is authorized to enter into a Housing Creation Agreement pursuant to Section 10 of the Housing Creation Regulations.

And Further Voted: That the Director be and hereby is authorized to designate the Public Facilities Commission, acting through its Director, to prepare all documents as may be necessary to implement the Housing Creation Proposal and ensure the successful development of the said affordable housing development, each on such terms and conditions as the Director of the Public Facilities Department may deem necessary and/or appropriate.

January 15, 1988

Steve Coyle, Director
Boston Redevelopment Authority
9th Floor, Boston City Hall

Dear Steve:

I am pleased to forward to the Authority the votes taken at the most recent meeting of the Neighborhood Housing Trust on January 12, 1988.

The combined recommendations enclosed herein reflects 343 new units of Housing of which 248 are affordable units and the distribution of approximately $5.6 million in linkage funds. This package also represents the first City submission to MHFA for SHARP funds. Please be aware that failure of any of these projects to achieve SHARP financing by December 31, 1988 would terminate the linkage committment made by the Neighborhood Housing Trust.

Sincerely yours,

Lawrence Dwyer
Chairman

VOTE OF THE NEIGHBORHOOD HOUSING TRUST

Approved at a Meeting of the Neighborhood Housing Trust

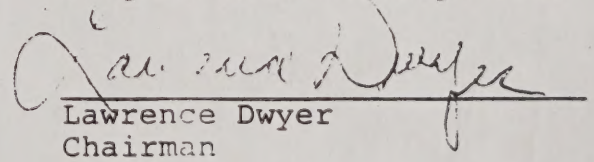
January 12, 1988

The following votes were taken at the January 12, 1988 meeting of the Neighborhood Housing Trust:

VOTED: That the Chair of the Neighborhood Housing Trust be authorized to recommend to the Boston Redevelopment Authority that the Housing Creation Proposal as submitted and generally described by the 101 Arch Street/Lincoln Franklin Limited Partnership on January 12, 1988 to assist in the creation of thirty-one (31) units of newly constructed rental housing of which sixteen (16) are affordable units, at the Lithgow Block in Dorchester by the Codman Square Housing Development Corporation (HDC) - be approved as submitted in an amount not to exceed $1.5 million contributed over twelve years, and further voted that the Boston Redevelopment Authority or its designee is hereby authorized to prepare all documents as may be necessary to implement the Housing Creation Proposal and ensure the successful development of the said affordable housing development on such terms and conditions as the Boston Redevelopment Authority or its designee may deem necessary and/or appropriate, with the proviso that said above-noted linkage commitment shall be terminated if no award of SHARP fund is received by December 31, 1988, and together with such other minor amendments as may be required to implement said affordable housing developments.

Passed unanimously 1/12/88

Attested to on Behalf of the
Neighborhood Housing Trust



Lawrence Dwyer
Chairman